

23. Auction is mentioned in clause 20. Would you make a statement with regard to it, or as to the tender system?—There are many serious objections in my opinion to the auction system, and under the tender system, where there is a rush for land, the same evils would in my opinion follow, and too high prices would be paid for it.

24. *Mr. Hurst.*] Do you think that deferred-payment settlers would be prepared to change their freeholds into leaseholds?—No. My opinion is that deferred-payment settlers would not in any instance whatever change their freeholds into leaseholds.

25. *Mr. Macandrew.*] Do you give any reason for that opinion?—If the Committee wish I can give a great many reasons.

26. *Mr. Stevens.*] You would suggest capitalizing the unpaid instalments, and leaving the amount at interest, instead of their exchanging their freeholds for leaseholds?—My proposals in that direction are contained in sections 21 to 30 of the Bill I framed.

27. *Mr. Macandrew.*] The Bill you have drafted contains the most practical remedy in sections 34 to 42. I understand that you mean this as a practical remedy?—This would be the most effective remedy in cases where excessive prices have been paid, but it is quite independent of the measure of relief granted by the capitalization scheme, which simply provides for an alteration in the form of the debt to the Crown, but does not in any way alter its amount. The provisions of sections 34 to 42, providing for revaluation, alter the amount of the debt, and relieve the selector when the valutors decide that an unfair price has been bid for the land.

28. You think this latter scheme would best meet the views of the complainants?—Yes; it is the most effective, but the other would of course apply to all selectors, and would be in my opinion a great improvement even by itself.

29. *Mr. Hurst.*] What would be the effect upon those deferred-payment settlers who have, owing to the stringency of the Act, paid up the full amount of their money?—Putting myself in their position, I should think it had been rather unfortunate that I had not waited a little.

30. Has the effect of introducing this deferred-payment system been a good one in Otago?—I think the deferred-payment system is the best thing that has ever been introduced in this colony for settlement, subject to the improvement of some of the details of the system.

31. *Mr. Macandrew.*] Are you aware that deferred-payment land has been taken up by people who have not been trained to agricultural pursuits?—Yes, I am aware that in a good many instances that has been the case.

32. How do they succeed as a rule?—These settlers of course labour, at least at first, under considerable disadvantages as compared with settlers having a previous knowledge of agriculture; but the energy and go of the colonial character usually surmount these difficulties, and many of this class are most successful settlers.

33. *Hon. Mr. Rolleston.*] In regard to the ballot system, have you any knowledge of how it worked in Otago when it was in operation there?—I believe in many instances it worked badly; but this was entirely to be attributed to the absurd provisions of the Act of 1872, under which lands of altogether different values were balloted for at a uniform price of 25s. per acre, and a small quantity of land was put in the market quite insufficient to meet the demand; further, the Act contained most vexatious provisions, involving many attendances of applicants, with Boards of Inquiry, hearings, &c., &c.; indeed the Act appeared to have been framed almost with the express purpose of discouraging men from taking up land on deferred payments. I refer to "The Otago Waste Lands Act, 1872," sections 50 and 52 and subsections.

34. *Mr. Pearson.*] Do you not think that under the ballot system men may never have a chance of getting a block of land?—I would say in reply to that, that under any system whatever, whether auction or ballot, if you open only 100 allotments and there are 200 men who want to settle, one hundred must be disappointed. You can only settle one settler on each allotment in any case.

35. Why do you object to the tender system?—Because it has the same tendency as the auction system.

36. *Mr. Driver.*] Do you think if a revaluation were granted, and some of those settlers who have given high prices received a reduction of, say one-half, would they then be able to work it out: do you not think that if they are so deficient in energy as to fail in meeting their payments now, they would also fail after the reduction was made?—No. I think that at present they are in some instances overweighted, but that if their purchase-money was reduced to a fair amount, and particularly if they were allowed to pay off the principal as they were able, and were only liable to pay interest at 5 or 6 per cent. in the meantime, they could successfully complete their purchases.

37. Can you inform the Committee what is the difference between a cash or present value and that where the payments are spread over ten years?—Yes, but of course it depends on the rate of interest assumed as the basis of the calculation. For rural deferred-payment land where the payments are spread over ten years the following deductions from the deferred-payment price will reduce it to a present value for cash: at 5 per cent., compound interest, deduct 22·78 per cent.; at 6 per cent., deduct 26·4 per cent.; at 7 per cent., deduct 29·76 per cent.; at 8 per cent., deduct 32·9 per cent. Or from the prices given for pastoral deferred-payment land where the payments are spread over fifteen years: at 5 per cent., compound interest, deduct 30·8 per cent.; at 6 per cent., deduct 35·25 per cent.; at 7 per cent., deduct 39·28 per cent.; at 8 per cent., deduct 42·94 per cent.

FRIDAY, 28TH JULY, 1882.

Mr. J. A. CONNELL, further examined.

38. *The Chairman.*] The Committee desire to know whether you have any further evidence to give?—There were just two points on which I would like to supplement my answers. The Hon. the Minister of Lands asked me yesterday what in my opinion was the value of the best of the remaining Crown lands in Otago. I stated that I thought about £1 15s. would be a fair average for the best of the lands, and that it might range as high as £2 or £2 10s. I would point out to the Committee that